

COMPANY NO 06074771

**THE COMPANIES ACT 1985 to 2006**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**ZOOPLA LTD**

(Adopted by a written resolution passed on 13 October 2010)

TUESDAY



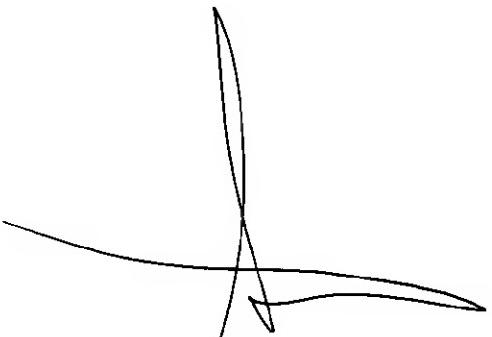
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**1. Introduction**

- 1 1 The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by The Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and The Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826) ("Table A") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 In Regulation 1 of Table A, the words "and in articles of association adopting the same" shall be inserted after the word "Regulations" in the last paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation
- 1 3 In these Articles
- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles,
  - (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa, and
  - (c) Regulations 8, 29, 30, 31, 54, 62, 76, 77, 80, 82, 94 to 98 (inclusive), 99, 115 and 118 of Table A shall not apply to the Company

**2 Definitions**

In these Articles the following words and expressions shall have the following meanings

"**2006 Act**" means the Companies Act 2006 (as amended from time to time),

"**A Preferred Shares**" means the A preferred shares of £0 0001 each in the capital of the Company,

"**A Preferred Shareholders**" means the holders of the A Preferred Shares,

**"Accounts"** means the audited balance sheet and profit and loss account of the Company or, if at the relevant time the Company has any Subsidiary Undertaking(s), a consolidation of the audited balance sheets and profit and loss accounts of the Company and its Subsidiary Undertaking(s), for each Financial Year,

**"Act"** means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and,

**"Acting in Concert"** has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

**"Arrears"** means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay any dividend or sums, together with all interest and other amounts payable on that Share,

**"Asset Sale"** means the disposal by the Company of all or substantially all of its undertaking and assets,

**"Associate"** in relation to any person means

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined),
- (b) any Member of the same Group,
- (c) any Member of the same Fund Group,

**"Atlas Investor Director"** means such director of the Company nominated by Atlas Venture under Article 25 1(a),

**"Atlas Investor Director Consent"** means the prior written consent of the Atlas Investor Director and if Atlas Venture have not appointed an Atlas Investor Director, the consent of Atlas Venture,

**"Atlas Venture"** means Atlas Venture Fund VII LP and its affiliated entities,

**"Auditors"** means the auditors of the Company from time to time,

**"Available Profits"** means profits available for distribution within the meaning of part VIII of the Act,

**"B Ordinary Shareholders"** means the holders of the B Ordinary Shares,

**"B Ordinary Shares"** means the ordinary shares of £0 0001 each in the capital of the Company,

**"Bad Leaver"** means a person who ceases to be an Employee within three years of the date of commencement of his/her employment with the Company and who is not a Good Leaver,

**"Board"** means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles,

**"Bonus Issue" or "Reorganisation"** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the A Preferred Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares (other than A Preferred Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 10 7,

**"Business Day"** means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday),

**"Civil Partner"** means in relation to a Shareholder, a civil partner (as defined in the Civil Partnerships Act 2004) of the Shareholder,

**"Company"** means Zoopla Ltd, a company incorporated in England with registered number 06074771 and with registered office at Unit 8, Europa Studios, Victoria Road, London NW10 6DP,

**"Controlling Interest"** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 840 of ICTA,

**"Conversion Date"** has the meaning given in Article 8.1,

**"Date of Adoption"** means the date on which these Articles were adopted,

**"Director(s)"** means a director or directors of the Company from time to time,

**"Effective Termination Date"** means the date on which the Employee's (or the employee's as the case may be) employment or consultancy terminates,

**"Employee"** means an individual who, after the Date of Adoption, becomes employed by or who provides consultancy services to, the Company or any member of the Group,

**"Employee Share Option Plan(s)"** means the employee share option plan(s) of the Company in place on the date of adoption of these Articles and any additional plan(s), the terms of which have been approved by an Investor Majority,

**"Employee Shares"** in relation to an Employee means all Ordinary Shares in the Company held by

- (a) the Employee in question, and
- (b) by any Permitted Transferee of that Employee other than those Ordinary Shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his/her relationship with the Employee,

**"Employee Trust"** means a trust, the terms of which are approved by the Investors, whose beneficiaries are the Employees,

**"Encumbrance"** means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).

**"Equity Shares"** means the Shares,

**"Exit"** means a Share Sale or an Asset Sale,

**"Expert Valuer"** is as determined in accordance with Article 15.2,

**"Fair Value"** is as determined in accordance with Article 15.3,

**"Family Trusts"** means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual, and so that for this purpose a

person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,

**"Financial Institution"** any Financial Services Authority registered financial investor (or a financial investor registered with the equivalent body or authority in the country of the relevant financial investor's principal place of business),

**"Financial Year"** and **"Financial Period"** means an accounting reference period (as defined by the Act) of the Company,

**"Founders"** means Mr Kain and Mr Chesterman,

**"Fund Manager"** means a person whose principal business is to make, manage or advise upon investments in securities,

**"Good Leaver"** means a person who ceases to be an Employee at any time by reason of

- (i) death,
- (ii) permanent incapacity,
- (iii) dismissal by the Company (or a member of the Group) which is determined by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal to be wrongful or constructive,
- (iv) attaining retirement age as set out in his contract of employment,
- (v) the Board, with the prior written approval of an Investor Majority, determining that he is a Good Leaver,

**"Group"** means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **"Group Company"** shall be construed accordingly,

**"ICTA"** means the Income and Corporation Taxes Act 1988,

**"Institutional Investor"** means a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing,

**"Investors"** means subscribers for A Preferred Shares and/or B Ordinary Shares and their Permitted Transferees,

**"Investor Majority"** means Investors holding in aggregate at least 75% of the A Preferred Shares and the B Ordinary Shares,

**"Investor Majority Consent"** means the prior written consent of the Investor Majority,

**"IPO"** means the admission of all or any of the Shares or securities representing those shares (including without limitation American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on Nasdaq or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),

**"ITEPA"** means Income Tax (Earnings and Pensions) Act 2003,

**"Issue Price"** means the price at which the relevant Share is issued, including any premium,

**"a Member of the same Fund Group"** means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund") or a nominee of that person

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),
- (b) any fund managed by that Fund Manager which is or whose nominee is the transferor, or
- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager, or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa,

**"a Member of the same Group"** means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking,

**"Monitor"** has the meaning given in the Subscription and Shareholders Agreement,

**"Mr Chesterman"** means Alexander Edward Chesterman of 28 Frogna Lane, London NW3 7DT,

**"Mr Kain"** means Simon Kain of 6 Sarsby Drive, Wraysbury, Middlesex TW19 5AT,

**"Nasdaq"** means the Nasdaq National Stock Market of the Nasdaq Stock Market Inc ,

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 10 7),

**"Non-Qualifying IPO"** means an IPO which is not a Qualifying IPO,

**"Octopus"** means Octopus Ventures Limited,

**"Octopus Introduced Investors"** has the meaning given in the Subscription and Shareholders Agreement,

**"Octopus Investor Director"** means a director appointed by the Octopus Introduced Investors in accordance with Article 25 11a),

**"Ordinary Shareholders"** means the holders from time to time of the Ordinary Shares,

**"Ordinary Shares"** means the ordinary shares of £0 0001 each in the capital of the Company,

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 13,

**"Permitted Transferee"** means

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees,
- (b) in relation to a Shareholder which is an undertaking (as defined in section 259(1) of the Act) means any Member of the same Group,

- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group, and
  - (d) in relation to an Investor
    - (i) to any Member of the same Group,
    - (ii) to any Member of the same Fund Group,
    - (iii) to any other Investor, or
  - to any nominee of an Investor,
- (e) in relation to Mr Cain, to Mr Chesterman pursuant to Article 17,

**"Preference Amount"** means £0 7321 per share together with a sum equal to any Arrears and any dividends accrued down to the relevant date of payment in respect of each A Preferred Share held,

**"Priority Rights"** means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 14 6 or Article 17 2 (as the case may be),

**"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),

**"Proceeds of Sale"** means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale,

**"Proposed Purchaser"** means a proposed purchaser who at the relevant time has made an offer on arm's length terms,

**"Proposed Seller"** means any holder of Ordinary Shares proposing to transfer any Ordinary Shares in the capital of the Company,

**"Qualifying IPO"** means the legal completion of an IPO in which the net aggregate subscription amount in respect of new Ordinary Shares (subject to appropriate adjustment following any Bonus Issue or Reorganisation) issued at the time of the IPO is not less than £20,000,000 at an issue price per Ordinary Share of at least £2 9284,

**"Realisation Price"** means the value of each Ordinary Share in issue immediately prior to an IPO, determined by reference to the price per share at which Ordinary Shares are to be offered for sale, placed or otherwise marketed pursuant to such IPO,

**"Sale Shares"** has the meaning set out in Article 14 2(a) of these Articles,

**"Seller"** has the meaning set out in Article 14 2 of these Articles,

**"Shareholder"** means any holder of any Shares,

**"Shares"** means the Ordinary Shares, the A Preferred Shares and the B Ordinary Shares from time to time,

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale,

**"Subscription and Shareholders' Agreement"** means the subscription and shareholders' agreement dated on or around the Date of Adoption between, inter alia, the Company and the Investors,

**"Subsidiary, Subsidiary Undertaking"** and **"Parent Undertaking"** have the meanings set out in the Act,

**"Transfer Notice"** shall have the meaning given in Article 14 2,

**"Transfer Price"** shall have the meaning given in Article 15 2(c),

**"Trustees"** in relation to a Shareholder means the trustee or the trustees of a Family Trust

### **3. Share capital**

3 1 The authorised share capital of the Company at the Date of Adoption is £1,540 divided into 2,100,000 A Preferred Shares, 9,950,000 Ordinary Shares and 3,350,000 B Ordinary Shares

3 2 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares created and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue

3 3 Except as otherwise provided in these Articles, the A Preferred Shares, the Ordinary Shares and the B Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares

### **4 Dividends**

4 1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4

4 2 The A Preferred Shares shall rank pari passu in all respects as to dividends with the Ordinary Shares and B Ordinary Shares. No dividend shall be declared or paid on the Ordinary Shares without a like dividend being declared or paid, as the case may be, on the A Preferred Shares or the B Ordinary Shares

4 3 Every dividend shall be distributed to the appropriate shareholders pro rata according to the numbers of shares held by them respectively and shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash

4 4 If the Company is unable to pay in full on the due date any dividend by reason of having insufficient Available Profits then it will on that date pay it to the extent that it is then lawfully able to do so

4 5 The Company will procure that the profits of any other Group Company available for distribution will be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or Parent Undertaking) if and to the extent that dividends are necessary to permit lawful and prompt payment by the Company of the shareholder dividends

4 6 Subject to the Act and these Articles, the Board may, provided Investor Majority Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period

### **5. Liquidation preference**

On a distribution of assets on a liquidation or a return of capital (other than a conversion or purchase of Shares and in the circumstance contemplated in Article 6 2 below) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so)

(a) first in paying to each of the A Preferred Shareholders, in priority to any other classes of Shares, an amount per share held equal to the Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining

surplus assets shall be distributed to the A Preferred Shareholders pro rata to their respective holdings of A Preferred Shares),

- (b) second in paying to each of the Ordinary Shareholders and the B Ordinary Shareholders, the amount subscribed on such shares (including share premium (if any)),
- (c) the balance of the surplus assets (if any) shall be distributed among the Shareholders pro rata to the number of Shares held

## 6. Exit provisions

### 6.1 On a Share Sale the Proceeds of Sale shall be distributed in the following order of priority

- (a) first in paying each of the B Ordinary Shareholders the sum of £1 1222 per B Ordinary Share held by them immediately prior to such Share Sale,
- (b) second in paying each of the A Preferred Shareholders the sum of £0 7321 per A Preferred Share held by them immediately prior to such Share Sale,
- (c) thirdly in paying to each of the Ordinary Shareholders, the amount subscribed per Ordinary Share held by them immediately prior to such Share Sale, such figure shall not exceed £0 7321, per Ordinary Share,
- (d) fourthly, in the event an Ordinary Shareholder receives less than £0 7321 per Ordinary Share pursuant to 6.1(c) above, such Ordinary Shareholder shall be entitled to receive an additional amount per Ordinary Share so that the aggregate amount such Ordinary Shareholder receives per Ordinary Share (pursuant to Articles 6.1(c) & (d)) shall be £0 7321,
- (e) fifthly in paying each of the A Preferred Shareholders and the Ordinary Shareholders an amount such that each of them receive the same amount per A Preferred Share and/or Ordinary Share held by them immediately prior to such Share Sale as the B Ordinary Shareholders receive per B Ordinary Share held immediately prior to such Share Sale pursuant to Article 6.1(a), and
- (f) sixthly in paying any excess to each Shareholder pro rata to their shareholding,

and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale

- (g) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out above, and
- (h) the Shareholders shall take any action required by the Investors to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out above

### 6.2 DELETED

### 6.3 On an IPO

- (a) the Company shall issue to each A Preferred Shareholder and B Ordinary Shareholder such number (if any) of Ordinary Shares such that the proportion which the Equity Shares held by that Shareholder bears to the issued Equity Shares following the completion of all such issues and the conversion of all A Preferred Shares and B Ordinary Shares shall be equal to the proportion that the proceeds that Shareholder would have been entitled to receive on a Share Sale on that

date would bear to the valuation of the Company at that date (assuming that the valuation of the Company was equal to the Pre-New Money Valuation),

- (b) the additional Ordinary Shares shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and those additional Ordinary Shares shall be issued at par fully paid. The capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with this Article. If the Company is not legally permitted to carry out the capitalisation the A Preferred Shareholders and B Ordinary Shareholders shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to paragraph (a). To the extent that there is insufficient share capital to effect the said issue the Directors shall procure (so far as they are able) that the Company's share capital is increased to the extent necessary to permit the issue required and all Shareholders shall vote in favour of the necessary resolutions to effect the increase,
  - (c) the Company shall issue at par to each A Preferred Shareholder and B Ordinary Shareholder that number (if any) of Ordinary Shares credited as fully paid, which, at the offer/placing price on IPO have an aggregate value equal to any Arrears of dividend in respect of the A Preferred Shares and/or B Ordinary Shares
- 6 4 In the event of an Exit approved by the Board and the Investors in accordance with the terms of these Articles (the "Proposed Exit"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("Actions"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders

## 7. Votes in general meeting

- 7 1 A Preferred Shares shall confer on each holder of A Preferred Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company
- 7 2 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company
- 7 3 B Ordinary Shares shall confer on each holder of B Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company. All Octopus Introduced Investors and those individuals for whom the Octopus Introduced Investors hold shares as nominee, shall have the right to attend and speak but not vote at all general meetings of the Company
- 7 4 Subject to Article 7 5, where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him
- 7 5 Notwithstanding the foregoing, in the event a shareholders' resolution proposed by the Board to wind up the Company is proposed at a general meeting, each holder of the A Preferred Shares and/or B Ordinary Shares shall be entitled to 10 votes for each A Preferred Share and/or B Ordinary Share held by them for the purposes of this resolution only

## 8 Conversion of A Preferred Shares and B Ordinary Shares

- 8 1 Any holder of A Preferred Shares and B Ordinary Shares ("Relevant Shares") shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of Relevant Shares held by them at any time and those Relevant Shares shall convert automatically on the date of the notice sent by the holder of those Relevant Shares (the "**Conversion Date**") The holder may in such notice, state that conversion of its Relevant Shares into Ordinary Shares is conditional upon the occurrence of particular events (the "**Conditions**")
- 8 2 All of the Relevant Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of a Qualifying IPO or notice in accordance with Article 8 1 being served by an Investor Majority
- 8 3 In the case of (i) Article 8 1, at least five Business Days after the Conversion Date or (ii) in the case of Article 8 2, at least five Business Days prior to the occurrence of the Qualifying IPO or service of notice by Investor Majority, each holder of the Relevant Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being
- 8 4 Where conversion is mandatory on the occurrence of a Qualifying IPO, that conversion will be effective only immediately prior to such Qualifying IPO (and "**Conversion Date**" shall be construed accordingly) and, if such Qualifying IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 8 1, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred
- 8 5 On the Conversion Date, the Relevant Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Relevant Share held (subject always to adjustment to reflect share-subdivision, split, continuation consolidation, bonus issue, distribution, repurchase, redemption or other share capital reorganisation from time to time) and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares
- 8 6 The Company shall on the Conversion Date enter the holder of the converted Relevant Shares on the register of Shareholders of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Relevant Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Relevant Shares by post to his address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares
- 8 7 On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Relevant Shares failing to be converted a dividend equal to all Arrears and accruals of dividends in relation to those Relevant Shares to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such Arrears and accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any Arrears and accruals of dividends that remain outstanding shall continue to be at debt due from and immediately payable by the Company

## 9 Variation of Rights

- 9 1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent in nominal value of the issued shares of that class save that the special rights attaching to the A Preferred Shares may only be varied or abrogated with Atlas Investor Director Consent and the special rights attaching to the B Ordinary Shares may only be varied or associated with both (i) Atlas Investor Director Consent and (ii) the consent of the Monitor or any director appointed by Octopus pursuant to Article 25 1(a)

- 9.2 Without prejudice to the generality of Article 9.1, the special rights attaching to the A Preferred Shares and the B Ordinary Shares shall be deemed to be varied if, without the prior written consent of the Investor Majority, the Company shall
- (a) permit or cause to be proposed any alteration to its share capital (including any increase thereof) or the rights attaching to its shares or waive any right to receive payment on any of its shares issued partly paid,
  - (b) create, allot, issue, buy-in or redeem any share or loan capital or grant or agree to grant any options (other than pursuant to the Share Option Plan as defined in the Subscription and Shareholders' Agreement) or warrants for the issue of any share or loan capital or issue any securities convertible into shares, or establish any employee incentive scheme except in accordance with the Articles and the Subscription and Shareholders' Agreement,
  - (c) permit or cause to be proposed any amendment to its memorandum of association or the Articles,
  - (d) propose or pay any dividend or propose or make any other distribution (as defined under sections 209, 418 and 419 of the Income and Corporation Taxes Act 1988),
  - (e) subscribe or otherwise acquire, or dispose of any shares in the capital of any other company,
  - (f) acquire or dispose of the whole or part of the undertaking of any other person or acquire or dispose of the whole or part of the undertaking of the Company or merge the Company or any part of its business with any other person or propose to do so,
  - (g) negotiate or permit the disposal of shares in the Company amounting to a Share Sale or IPO,
  - (h) cease, or propose to cease, to carry on its business or permit the Company or its directors (or any one of them) to take any step to wind up the Company, save where it is insolvent (within the meaning of section 123 of the Insolvency Act 1986),
  - (i) take any step to place the Company into administration (whether by the filing of an administration application, a notice of intention to appoint an administrator or a notice of appointment), permit the Company or its directors to propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise) or to apply for an interim order under Part 1 of the Insolvency Act 1986, or permit the Company or its directors to invite the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking,
  - (j) enter into or give or permit or suffer to subsist any guarantee of or indemnity or contract of suretyship for or otherwise commit itself in respect of the due payment of money or the performance of any contract, engagement or obligation of any other person or body,
  - (k) offer or grant any superior registration rights to any future shareholder in the Company without offering substantially similar rights to the Investors,
  - (l) engage a financial adviser for an Exit or IPO,
  - (m) adopt a detailed operating and capital budget and cash flow forecast in respect of each financial year of the Company,
  - (n) do any material act or thing outside the ordinary course of the business carried on by the Company, or
  - (o) other than where expressly contemplated by the Subscription and Shareholders Agreement, enter into or vary any transaction or arrangement with, or for the benefit of any of its directors or

shareholders or any other person who is a "connected person" with any of its directors or shareholders

- 9 3 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not, except as provided in Article 9 2, constitute a variation of the rights of those existing classes of shares

**10. Allotment of new shares or other securities. pre-emption**

- 10 1 Subject to the remaining provisions of this Article 10, the Directors are generally and unconditionally authorised for the purpose of section 80 of the Act and/or section 551 of the 2006 Act to exercise any power of the Company to

- (a) offer, allot or grant rights to subscribe for, or
- (b) convert securities into, or
- (c) otherwise deal in, or dispose of,

any Shares or any other relevant securities in the Company to any persons, at any times and subject to any terms and conditions as the Directors think proper provided that

- (1) this authority shall be limited to a maximum nominal amount of Shares equal to the amount of the authorised but unissued share capital of the Company immediately following the Date of Adoption,
- (2) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired)

- 10 2 In accordance with section 91(1) of the Act and section 567(1) of the 2006 Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act and sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act do not apply to an allotment of equity securities made by the Company

- 10 3 Unless otherwise agreed by special resolution passed in general meeting or by written resolution passed in accordance with part 13 of the 2006 Act, if the Company proposes to allot any New Securities at any time before a Qualifying IPO those New Securities shall not be allotted to any person unless (i) it is in the course of a Qualifying IPO and/or (ii) the Company has in the first instance offered them to all Shareholders on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as may be without involving fractions). The offer

- (a) shall be in writing, give details of the number and subscription price of the New Securities, and
- (b) may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities ("**Excess Securities**") for which they wish to subscribe

- 10 4 Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 10 3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 10 3 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with Article 10 3 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him)

- 10 5 Subject to Articles 10 3 and 10 4, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper
- 10 6 The provisions of Articles 10 3 to 10 5 shall not apply to
- (a) options to subscribe for Ordinary Shares under the Employee Share Option Plans ,
  - (b) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by an Investor Majority,
  - (c) New Securities which the Investor Majority have agreed in writing should be issued without complying with the procedure set out in this Article 10,
  - (d) New Securities issued as a result of a bonus issue of shares which has been approved in writing by an Investor Majority, and
  - (e) Shares or options for Shares issued or granted to the Investors in accordance with the terms of the Investment Agreement
- 10 7 No Shares shall be allotted to any Employee, Director, prospective employee or director unless such person has entered into a joint section 431 ITEPA election with the Company

## 11 Lien

The Company shall have a first and paramount lien on every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable

## 12 Transfers of Shares – General

- 12 1 In Articles 12 to 19 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 12 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 12 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him
- 12 4 Any transfer of a Share by way of sale which is required to be made under Articles 14 to 19 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee
- 12 5 Unless express provision is made in these Articles to the contrary, no Ordinary Shares shall be transferred without the consent of the Investor Majority
- 12 6 In addition to the provisions of Regulation 24 of Table A, the Directors may refuse to register a transfer if
- (a) it is a transfer of a share to a bankrupt, a minor or a person of unsound mind,
  - (b) the transfer is to an Employee, Director or prospective employee or director and such person has not entered in a joint section 431 ITEPA election with the Company,

and Regulation 24 of Table A shall be modified accordingly

127 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 127 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

128 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may, with Atlas Investor Director Consent and the consent of either the Monitor or any director appointed by Octopus pursuant to Article 251(a), require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors or the Atlas Investor Director or the Monitor or any director appointed by Octopus pursuant to Article 251(a) may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur

- (a) the relevant shares shall cease to confer upon the holder of them (or any proxy) any rights
  - (i) to vote whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question) provided that such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of an Investor, or
  - (ii) to receive dividends or other distributions (other than the amount they may be entitled to pursuant to the application of Article 42) otherwise attaching to those shares or to any further shares issued in respect of those shares, and
- (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

The rights referred to in (a) above may be reinstated by the Board subject to Atlas Investor Director Consent and the consent of either the Monitor or any director appointed by Octopus pursuant to Article 251(a) and shall in any event be reinstated upon the completion of any transfer referred to in (b) above

129 In any case where the Board may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the 2006 Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares,
- (b) it does not include a Minimum Transfer Condition (as defined in Article 142(d)), and

- (c) the Seller wishes to transfer all of the Shares held by it

### 13 Permitted Transfers

- 13 1 A Shareholder (the "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee or with Investor Majority Consent without restriction as to price or otherwise
- 13 2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 13 2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise
- 13 3 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than 5 Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares
- 13 4 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than 5 Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares
- 13 5 A transfer of any Shares approved by the Investor Majority may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors
- 13 6 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "Qualifying Company") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise
- 13 7 No transfer of Shares may be made to Trustees unless the Board is satisfied
- (a) with the terms of the trust instrument and in particular with the powers of the trustees,
  - (b) with the identity of the proposed trustees,
  - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and
  - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company
- 13 8 If a company to which a Share has been transferred under Article 13 6, ceases to be a Qualifying Company it must within 5 Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares
- 13 9 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or
- (b) give a Transfer Notice to the Company in accordance with Article 14.2,  
failing which he shall be deemed to have given a Transfer Notice
- 13.10 On the death (subject to Article 13.2), bankruptcy, liquidation, administrator or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within 5 Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 5 Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator will be deemed to have given a Transfer Notice
- 13.11 any person holding the beneficial interest in any Shares, the legal interest in which is held by Octopus Investments Nominees Limited ("OINL") (or another company which holds shares as nominee and is managed by the same manager as OINL), may transfer all or any such beneficial interest to anyone who would be a Permitted Transferee of theirs (if they held the legal interest in such Shares), to any pension fund operated for that person's benefit or, in the event of the death of the beneficial holder, to any other person holding the beneficial interest in any Shares, the legal interest in which is held by OINL (or to any pension fund operated for such transferee's benefit) (in each case a "Qualifying Beneficial Transferee") without restriction as to price or otherwise PROVIDED THAT, if such person ceases to be a Qualifying Beneficial Transferee he/it must not later than 5 Business Days after the date on which Octopus Investments Limited (or such other company or entity through which OINL communicates with its investors from time to time) is notified that he/it so ceased to be a Qualifying Beneficial Transferee, transfer such beneficial interest in any Shares to a Qualifying Beneficial Transferee, failing which he/it will be deemed to have given a Transfer Notice in respect of those Shares

#### 14 Transfers of Shares subject to pre-emption rights

- 14.1 Save where the provisions of Articles 13, 18 and 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 14
- 14.2 Any Shareholder who wishes to transfer Shares (a "Seller") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "Transfer Notice") to the Company specifying
- (a) the number of Shares which he wishes to transfer (the "Sale Shares"),
  - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
  - (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Atlas Investor Director) (the "Transfer Price"), and
  - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "Minimum Transfer Condition")
- 14.3 Except with the written consent of Investor Majority, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn

14 4 A Transfer Notice constitutes appointment of the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price

14 5 As soon as practicable following the later of

(a) receipt of a Transfer Notice, and

(b) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 15,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 14 6 to 14 8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered

14 6 *Priority for offer of Sale Shares*

The Sale Shares shall be offered in the following priority

(i) first

(a) if such Sale Shares are A Preferred Shares to all other A Preferred Shareholders and, if such Sale Shares are B Ordinary Shares, to all other B Ordinary Shareholders,

(b) if such Sale Shares are A Preferred Shares, to all B Ordinary Shareholders and, if such Sale Shares are B Ordinary Shares, to all A Preferred Shareholders, and

(c) if such Sale Shares are Ordinary Shares, to all Shareholders,

(ii) second, to the Company,

in each case on the basis set out in Article 14 7

14 7 *Transfers First Offer*

(a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer and in accordance with Article 14 6(i) and (ii) above other than the Seller (the "Continuing Shareholders") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "First Offer Period") for the maximum number of Sale Shares they wish to buy

(b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 14 7 and 14 8 will be conditional on the fulfilment of the Minimum Transfer Condition

(c) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy

(d) If not all Sale Shares are allocated in accordance with Article 14 7(c) but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 14 7(c)

- (e) If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 14 8

14 8 *Transfers Second Offer*

- (a) At the end of the First Offer Period and for a period of 15 Business Days (the "**Second Offer Period**"), the Board (with Atlas Investor Director Consent and the consent of either the Monitor or any director appointed by Octopus pursuant to Article 25 1(a)) may
- (i) (subject to the provisions of the Act and in accordance with Regulation 35 of Table A) determine that the Company shall (insofar as it is able to do so under the Act) purchase the Initial Surplus Shares or
  - (ii) offer such Initial Surplus Shares to the employees (or certain of them) of the Company, or
  - (iii) offer such Initial Surplus Shares to a trust established by the Company for the benefit of employees of the Company
- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Company, employees or trust (as the case may be) in accordance with article 15 8(a) and the balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with 14 9(e)

14 9 *Completion of transfer of Sale Shares*

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 14 7 and 14 8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect
- (b) If
- (i) the Transfer Notice does not include a Minimum Transfer Condition, and
  - (ii) allocations have been made in respect of all the Sale Shares,
- the Board shall, when no further offers are required to be made under Articles 14 7 and 14 8, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it
- (d) If the Seller fails to comply with the provisions of Article 14 9(c)
- (i) the Chairman of the company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller
    - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,

- (B) receive the Transfer Price and give a good discharge for it, and
- (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
- (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate)
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 14 9(f), the Seller may, within 60 days after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions
- (f) The right of the Seller to transfer Shares under Article 14 9(e) does not apply if the Board is of the opinion on reasonable grounds that
  - (i) the transferee is a person (or a nominee for a person) who the Atlas Investor Director and either the Monitor or any director appointed by Octopus pursuant to Article 25 1(a) determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company,
  - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
  - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above

## **15 Valuation of Shares**

- 15 1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either
  - (a) appoint expert valuers in accordance with Article 15 2 (the "Expert Valuers") to certify the Fair Value of the Sale Shares, or (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks)
  - (b) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice
- 15 2 The Expert Valuers will be either
  - (a) the Auditors, or if so specified in the relevant Transfer Notice,
  - (b) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party
- 15 3 The "Fair Value" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
  - (c) that the Sale Shares are capable of being transferred without restriction,
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and
  - (e) reflect any other factors which the Expert Valuers reasonably believe should be taken into account
- 15 4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- 15 5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination
- 15 6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 15 7 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose
- 15 8 The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within 5 Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares
- 15 9 The cost of obtaining the certificate shall be paid by the Company unless
- (a) the Seller cancels the Company's authority to sell, or
  - (b) the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the directors to the Seller for the Sale Share before the Expert Valuers were instructed,
- in which case the Seller shall bear the cost
- 16 Compulsory transfers – general**
- 16 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors
- 16 2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either
- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer), or
  - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder

If either requirement in this Article 16.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine

- 16.3 If a Shareholder which is a company or a Permitted Transferee of that Shareholder, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder or Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and/or such Permitted Transferee save to the extent that, and at a time, the Directors may determine
- 16.4 If there is a change in control (as control is defined in section 840 of ICTA) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and the respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice. This clause shall not apply to a member that is an Investor

## 17 Compulsory transfer – employees

- 17.1 If any Employee ceases for any reason to be an Employee the relevant Employee shall be deemed to have given a Transfer Notice in respect of all the Employee Shares on the Effective Termination Date. In such circumstances the Transfer Price shall be as follows
  - (a) where the relevant Employee ceases to be an Employee by reason of being a Bad Leaver and is not an Employee who has obtained such Employee Shares by virtue of exercise of an option under the Employee Share Option Plan, the lower of Fair Value and the nominal value of the Employee Shares,
  - (b) where the relevant Employee ceases to be an Employee by reason of being a Good Leaver or is an Employee who has obtained such Employee Shares by virtue of exercise of an option under the Employee Share Option Plan, the Fair Value
- 17.2 For the purposes of this Article, the Priority Rights shall be such that the Employee Shares are offered to a person or persons nominated by the Company (but with the prior written consent of an Investor Majority)
- 17.3 All voting rights attached to Employee Shares held by a Founder (the "**Restricted Member**"), if any, shall at the time he ceases to be an Employee be suspended unless the Board and the Investor Majority notify him otherwise
- 17.4 Any Employee Shares whose voting rights are suspended pursuant to Article 17.3 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy. Voting rights suspended pursuant to Article 17.3 shall be automatically restored immediately prior to an IPO. If a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of shareholders) automatically be restored
- 17.5 Subject to the following, the provisions of Articles 17.1 to 17.4 inclusive shall not apply to the Founders. Notwithstanding the foregoing sentence, the provisions of Articles 17.1 to 17.4 inclusive shall only apply Mr Chesterman's holding of Equity Shares in such an amount as calculated on the date Mr Chesterman ceases to be an employee of the Company (which for this purpose shall include him ceasing on his own volition to be a full time employee of the Company) and, if he had been an Employee (as defined) the circumstances of his departure would be such that he would have been deemed to be a Bad Leaver as follows

- (a) if Mr Chesterman ceases to be an Employee at any time between the Date of Adoption and on or before 31 March 2009, the provisions of Articles 17.1 to 17.4 inclusive shall apply to 12.5% of his entire holding of Equity Shares calculated at the date he leaves the Company, and
  - (b) if Mr Chesterman ceases to be an Employee at any time between 1 April 2009 and on or before 30 June 2009, the provisions of Articles 17.1 to 17.4 inclusive shall apply to 6.25% of his entire holding of Equity Shares calculated at the date he leaves the Company, and
  - (c) if Mr Chesterman ceases to be an Employee at any time after 30 June 2009, the provisions of Articles 17.1 to 17.4 inclusive shall not apply to Mr Chesterman's holding of Equity Shares
- 17.6 Notwithstanding the first sentence of Article 17.5 and subject to the remainder of this Article, if Mr Kain (i) ceases to be an employee of the Company and, if he had been an Employee (as defined), the circumstances of his departure would be such that he would have been deemed to be a Bad Leaver and/or he dies, he shall transfer the following numbers of Ordinary Shares to Mr Chesterman as a Permitted Transfer (for as long as Mr Chesterman remains an employee of the Company). If Mr Kain fails to transfer those shares required to be transferred to Mr Chesterman pursuant to this Article within a period of 15 Business Days of the Effective Termination Date, Mr Kain shall be deemed to have served a Transfer Notice on the Effective Termination Date at the par value thereof in favour of Mr Chesterman (notwithstanding the provisions of Article 14.6) in respect of the relevant number of Ordinary Shares. However, if Mr Chesterman is no longer an employee of the Company on the date Mr Kain ceases to be such an employee, Mr Kain shall be deemed to have served a Transfer Notice on the Effective Termination Date at the par value thereof in respect of the following number of Ordinary Shares
- (a) if Mr Kain ceases to be an employee or dies on or after the Date of Adoption but before 1 March 2009, 233,380 Ordinary Shares,
  - (b) if Mr Kain ceases to be an employee or dies on or after 1 March 2009 but before 1 June 2009, 194,530 Ordinary Shares,
  - (c) if Mr Kain ceases to be an employee or dies on or after 1 June 2009 but before 1 September 2009, 155,610 Ordinary Shares,
  - (d) if Mr Kain ceases to be an employee or dies on or after 1 September 2009 but before 1 December 2009, 116,760 Ordinary Shares,
  - (e) if Mr Kain ceases to be an employee or dies on or after 1 December 2009 but before 1 March 2010, 77,840 Ordinary Shares, and
  - (f) if Mr Kain ceases to be an employee or dies on or after 1 March 2010 but before 1 June 2010, 38,920 Ordinary Shares
- 18 Mandatory Offer on a Change of Control**
- 18.1 Except in the case of Permitted Transfers and transfers pursuant to Articles 16 and 17, to be effected at the same time as the pre-emption procedure in Article 14, the provisions of Article 18.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Equity Shares (the 'Proposed Transfer')
- 18.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the 'Offer') to the A Preferred Shareholders and B Ordinary Shareholders to acquire a pro rata number of the A Preferred Shares and B Ordinary Shares as converted (as the case may be) held by them for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 18.7)
- 18.3 The Offer must be given by written notice (a 'Proposed Sale Notice') at least 10 Business Days (the 'Offer Period') prior to the proposed sale date ('Proposed Sale Date'). The Proposed Sale Notice must

set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "Proposed Sale Shares")

18 4 If any other holder of A Preferred Shares or B Ordinary Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect

18 5 If the Offer is accepted by any A Preferred Shareholder or B Ordinary Shareholder (an "Accepting Shareholder") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders

18 6 The Proposed Transfer is subject to the pre-emption provisions of Article 14 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 14

18 7 For the purpose of this Article

(a) the expression "transfer" and "purchaser" shall include the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment respectively,

(b) the expression "Specified Price" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser

(i) in the Proposed Transfer, or

(ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Percentage of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser to the Proposed Seller, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares,,

(c) **Relevant Percentage** = A/B x 100

where                   A = number of Equity Shares being sold by the Proposed Seller,

B = number of Equity Shares held by the Proposed Seller immediately before the Proposed Transfer

## 19 Drag-Along

19 1 If the holders (which shall include at least one of the Investors) of 65 % of the Equity Shares (on an as converted basis) (the "Selling Shareholders") wish to transfer all their interest in Shares (the "Sellers' Shares") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "Drag Along Option") to require all the other holders of Shares (the "Called Shareholders") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article subject to no notice being issued pursuant to Article 19 3

19 2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "Called Shares") under this Article, the person to whom they are to be

transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer

- 19 3 A Drag Along Notice shall lapse immediately in the event that the holders of 25% of the B Ordinary Shares in issue at the date of the issue of the Drag Along Notice plus one other Shareholder (which is not Atlas Venture, Octopus, an Octopus Introduced Investor or any member of the same Fund Group) issue a written notice to the Company within 10 Business Days of the date of the Drag Along Notice stating that they wish to veto the operation of this drag-along notice in respect of the proposed sale of Shares
- 19 4 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice save if the lapse is in the circumstances set out in Article 19 3
- 19 5 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5
- 19 6 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article
- 19 7 Within five Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 19 5 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 19 5 in trust for the Called Shareholders without any obligation to pay interest
- 19 8 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the price due pursuant to Article 19 7, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 19 in respect of their Shares
- 19 9 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the price for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him under Article 19 5
- 19 10 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 14
- 19 11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary

changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder

**20. General meetings**

- 20 1 In Regulation 37 of Table A there shall be substituted for the words "in accordance with the Act" the words "for a date not later than twenty-eight days after the date on which the directors became subject to the requirement under section 303 of the 2006 Act"
- 20 2 In its application to the Company, Regulation 50 of Table A shall be modified by the insertion after the word "shall" and before the words "be entitled" of the word "not"

**21 Proxies**

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may

- (a) be deposited at the office or at any other place within the United Kingdom as may be specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,
- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the Chairman or to the Secretary or to any Director, or
- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the Secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

**22. Directors' borrowing powers**

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party insofar as the opportunity to participate in such debentures, debenture stock and the security have been offered to the A Preferred Shareholders and B Ordinary Shareholders in the first instance

**23 Alternate directors**

Notwithstanding any provision of these Articles to the contrary, any person appointed as a director may appoint any person as he thinks fit to be his, her or its alternate Director and the appointment of an alternate Director shall not require approval by a resolution of the Directors, and in its application to the Company Regulation 65 of Table A shall be modified accordingly

**24. Number of Directors**

Unless and until the Company in general meeting shall otherwise determine the number of Directors shall not exceed 7 and shall be not less than two

## **25. Appointment of Directors**

25 1

- (a) Atlas Venture and the Octopus Introduced Investors (for so long as it and its Permitted Transferees hold not less than 10 per cent of the fully diluted Equity Share capital of the Company) shall each be entitled to nominate one person to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. Atlas Venture and the Octopus Introduced Investors shall be entitled to remove its nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place
- (b) Mr Chesterman (for so long as he and his Permitted Transferees hold not less than 30 per cent of the fully diluted Equity Share capital of the Company) shall be entitled to nominate two persons to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove those Directors from office. In the event Mr Chesterman's percentage of the Equity Share capital is between 10 and 30%, Mr Chesterman's entitlement to appoint two persons shall be reduced to one person to act as Director. Mr Chesterman shall be entitled to remove his nominated Director(s) so appointed at any time by notice in writing to the Company served at its registered office and appoint other individuals to act in his/their place
- (c) For so long as individual holds office as the Chief Executive Officer of the Company ("CEO"), he shall be appointed as a Director to the Board of the Company. Such appointment as a Director shall cease in respect of an individual immediately upon such individual ceasing to be the CEO
- (d) For so long as the Octopus Introduced Investors hold B Ordinary Shares and provided Octopus has not exercised its rights at Article 25 1(a), the Monitor shall be entitled to observe all board meetings, receive notice of such meetings and be sent copies of all papers relating to the operation of the Board 3 days prior to such meetings taking place
- (e) The Shareholders of the Company shall also be entitled to nominate any person to act as a Director of the Company by notice in writing addressed to the Company from time to time and to so remove such Director from office (and appoint another in his place), as required, at any time by notice in writing to the Company (signed by a majority of the Shareholders) served at its registered office

25 2 An appointment or removal of a Director under Article 25 1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company

25 3 The Atlas Investor Director and any director appointed by Octopus pursuant to Article 25 1(a) shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking

25 4 In its application to the Company, Regulation 78 of Table A shall be modified by the deletion of the words " and may also determine the rotation in which any additional Directors are to retire"

25 5 In its application to the Company, Regulation 84 of Table A shall be modified by the deletion of the third and final sentences

## **26 Disqualification of Directors**

In addition to that provided in Regulation 81 of Table A, the office of a Director shall also be vacated if

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his, her or its office be vacated,
- (b) in the case of Directors, other than the Atlas Investor Director, if a majority of his co-Directors serve notice on him in writing, removing him from office

## **27. Proceedings of Directors**

- 27 1 To be quorate, any meeting of the Board shall be 3 Directors and must include either Mr Chesterman or a Director appointed by Mr Chesterman and the Atlas Investor Director and, if appointed, the Octopus Investor Director (unless otherwise agreed by the Atlas Investor Director and, if appointed, the Octopus Investor Director) If such a quorum is not present within half an hour from the time appointed for the meeting the meeting may be adjourned to a date not less than 1 week later at the same time and place or at such time and place as determined by the Directors present at such meeting at which adjourned meeting the quorum shall be any 3 Directors
- 27 2 In its application to the Company Regulation 89 of Table A shall be modified
  - (a) by the deletion of the words "may be fixed by the Directors and unless so fixed at any other number" in the first sentence, and
  - (b) by the addition of the following as the final sentence  
"In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present"
- 27 3 Any Director who participates in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at that meeting (whether in person or by alternate or by means of that type of communication device) to hear at all times that Director and that Director to hear at all times all other Directors present at the meeting (whether in person or by alternate or by means of that type of communication device) shall be deemed to be present at the meeting and shall be counted when reckoning a quorum A meeting held by these means shall be deemed to take place where the largest group of participants in number is assembled In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting
- 27 4 A Director may vote at a meeting of the Directors, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts or which may conflict with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors The provisions of Regulation 86 of Table A shall be taken to apply equally to any disclosure to be made under the provisions of this Article
- 27 5 Questions arising at any meeting of the Directors shall be decided by a majority of votes In the case of any equality of votes, the chairman shall not have a second or casting vote
- 27 6 If the chairman of the Board has not been appointed within three months of the Date of Adoption or within three months of the resignation of a chairman the Investor Majority shall be entitled to appoint a chairman by notice in writing addressed to the Company
- 27 7 The Board shall meet at least 8 times in each calendar year

## **28. Execution of documents**

In its application to the Company Regulation 101 of Table A shall be modified by the addition of the following sentence

"Any instrument expressed to be executed by the Company and signed by two Directors, or by one Director and the Secretary, by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Act or the 2006 Act) have effect as if executed under seal"

**29. Dividends**

In Regulation 103 of Table A the words from "If the share capital is divided" to the end of the third sentence of the Regulation shall be deleted

**30. Notices**

- 30 1 Any notice shall be in writing and shall be conclusively deemed to have been duly given
- (a) when hand delivered to the relevant party,
  - (b) when received when sent by facsimile, e-mail or any other form of electronic communication at the relevant address,
  - (c) two Business Days after dispatch if sent to an address in the United Kingdom by post,
  - (d) five Business Days after dispatch if sent by reputable international overnight courier addressed to the relevant party provided that delivery in at least five (5) Business Days was guaranteed at the time of sending and the sending Party receives a confirmation of delivery from the courier service provider, or
  - (e) by airmail (registered or certified) 15 Business Days after sending
- 30 2 In proving service of a notice it shall be sufficient to prove that personal delivery was made, or that the relevant notice or other written communication was properly addressed stamped and posted or in the case of a facsimile, e-mail or other form of electronic communication evidence that the relevant communication was properly sent
- 30 3 Regulation 115 of Table A shall be deleted

**31. Indemnities and Insurance**

- 31 1 Subject to the provisions of the 2006 Act
- (a) every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his, her or its office or otherwise in relation to his, her or its office, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his, her or its favour or in which he is acquitted or in connection with any application under sections 144 or 737 of the Act or sections 661(3) or (4) or 1157 of the 2006 Act in which relief is granted to him by the court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his, her or its office or otherwise in relation to his, her or its office,
  - (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company
- 31 2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably

specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

### **32. Data Protection**

Each of the shareholders and directors of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "**Recipient**") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Company's shareholders and directors (from time to time) consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

### **33. Directors' Interests in Transactions**

33 1 The Directors may (subject to the Investor Consent being granted to the matter in question and subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law

- (a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty and a conflict of duties),
- (b) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of Article 33 1(a) may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted

33 2 Where the effect of excluding, pursuant to Article 33, a Director or Directors from counting in a quorum at any board meeting would be such that the meeting would not be quorate then the quorum for the meeting at which any such authorisation is sought shall be any one Director

33 3 If a matter, or office, employment or position has been authorised by the Directors in accordance with this Article 33 the relevant Director shall be obliged to conduct himself in accordance with any terms imposed by the board in relation thereto (whether at the time authorisation is given or at any time thereafter) and, subject to those terms the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position

33 4 A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the

Directors pursuant to this Article 33 (subject in any case to any limits or conditions to which such approval was subject)

- 33 5 For the purposes of sections 175 and 180(4) of the 2006 Act and for all other purposes, it is acknowledged that the Atlas Investor Director or the Octopus Investor Director may be or become subject to a conflict or a situation which gives rise to a conflict as a result of his also being or having been party to an agreement, arrangement or circumstance in which he may become an employee, director, trustee, member, partner, officer or representative of, or consultant to or a direct or indirect investor in any of the following
- (a) Atlas Venture or Octopus, and
  - (b) an affiliate of Atlas Venture or Octopus which, for the purposes of this article, means any person who
    - (i) is a member of their group, and/or
    - (ii) is an investment manager or adviser to them, and/or
    - (iii) is controlled, managed, advised or promoted by them, and/or
    - (iv) is a trustee, manager, beneficiary, shareholder, partner, unit holder or other financier or participant in them
- 33 6 The Atlas Investor Director's or the Octopus Investor Director's duties to the Company arising from his holding office as Director shall not be breached as a result of any conflict situation which might arise under article 33 5 above and he shall not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement with any such conflict situation
- 33 7 At any meeting of the Directors (or of any Committee of the Directors) a Director may vote on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest. If he does vote on any such resolution, his vote shall be counted. Such a Director shall be counted as part of the quorum present at the meeting (and in relation to such a resolution) whether or not the Director votes on the resolution